

CESTA ZMĚNY



Path of Change

NOW OR NEVER

Political Program

100 Thesis

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THE PATH OF CHANGE
NOW OR NEVER

At the threshold of a new millennium, THE PATH OF CHANGE political party is presenting a program for the future of this country, for its opportunities, which remain - more than ten years after the Velvet Revolution - unutilised. The Czech Republic currently needs strong new political leadership. A high quality, experienced team that will help

shape our country in the new century. A modern, young team, under whose leadership the Czech nation will regain an appropriate position in Europe and in the world. We must root ourselves in the values that our country has always represented and also defend our country's interests and increase its prestige. THE PATH OF CHANGE is a political party that is ready to take over responsibility for our country. Over the past ten years, the political garniture has turned its back on democracy and the free market. THE PATH OF CHANGE is prepared to assert the interests of those citizens who wish to live in a truly democratic state in which laws will be consistently applied and civic freedom will be likewise respected.

This country needs a new political vision. The goals of neo-liberal ideology have been depleted. Although this ideology successfully fulfilled the role of a critic of past regimes, it completely exhausted itself in the process and did not manage to subsequently offer constructive and timely resolutions for newly emerging problems in society.

Citizens are rightfully asking that greater justice and social equality accompany demands on productivity and competitiveness. In addition to satisfying their material needs, they want to realise goals and values that reach beyond the individual. The material aspect is important, often even decisive, but insufficient for a high quality of life by itself. People of this millennium do not wish to be reduced to mere cogs in the wheels of the globalised world.

It is apparent that current politics is not responding adequately to these citizen needs. Politics acts as if they were concerned only with events and facts within their immediate reach, which leads to the emergence of a certain alienation. Politics thus reduces itself to mere administration and operations, without ideas, values, an enduring vision or societal ideals. Politics is also, however, part of the culture in which it exists and its foundation consists of morals inherited from many generations and in experiences from which one should glean inspiration to give human life deeper meaning. If politicians wish to satisfy these needs, they must assert ethics and aesthetics in politics on the basis of deep personal conviction.

It is likewise necessary to begin asserting firm values in politics. Rise above the sphere of the individualistic, narrow and often convenient perception of the world and show people that the principles of freedom, responsibility, honesty, justice and solidarity are public property that deserves care. Support of these values, however, requires each individual to have a strong will, courage and a creative approach. To date, people have primarily seen abuse of power, corruption, and illegal blurring of public and private affairs, which results in deep apathy and disillusionment.

THE PATH OF CHANGE is not ideologically conceived as neo-liberal in economics or conservative in culture. THE PATH OF CHANGE first and foremost looks to the future and sets the groundwork for steps that will lead to CHANGES in all of society. It paves the PATH for individual and societal successes that lead to hope for a more free, just and acceptable life. This new PATH of deep CHANGES is also a way to live a good life and suits all honest and decent people of this country.

At the heart of THE PATH OF CHANGE are citizens. The founding point of THE PATH OF CHANGE's politics is a conviction about human dignity and respect for human freedom, nature and rights. THE PATH OF CHANGE is striving to fuel the path towards personal growth, the foundation of which is human freedom and a liberal democratic environment. Equal opportunities and life in a tolerant society are its requirements. This necessi-

tates that the state asserts its role effectively and with concern for public welfare. This role of the state however must be based on decentralisation, order, firm rules and upholding of each individual's rights and responsibilities without exceptions.

THE PATH OF CHANGE is aware that globalisation, the onslaught of modern technologies and the speed of changes occurring in the world require sensitive formation of a firm societal balance that supports human integrity and growth as a key point of all political and social life. If this balance is absent, intolerance and social aggression enter society and various forms of racial hatred and destructive nationalism grow. In their ultimate form, all of these elements threaten the life and freedom of each person.

Today, we once again stand before the need to make far-reaching changes. These are changes, however, that will bring opportunities for all citizens of this country. For those who do not allow the small scale of Czech politics overshadow their view of the need for these changes, a magnificent panorama opens up of opportunities that will offer our children and grandchildren more chances than any period before. THE PATH OF CHANGE upon which we have embarked is not an easy path. It is however a reliable path and above all the right path, leading to a tolerant and promising future.

If we wish to take this path, then...

NOW OR NEVER!

THE PATH OF CHANGE'S POLITICAL PRIORITIES

1. Growth in the standard of living and quality of life for citizens of our republic. Development of the economy and society depends on the type of foundation that will underlie personal success and the parameters by which this success will be measured. Therefore a motivational environment that rewards individual productivity, education and inventiveness over wiliness and corruption is important.
2. Assertion of the Czech Republic's accession to the European Union without a referendum. Casting doubt on our accession to the EU is a dangerous gamble, primarily with the lives of subsequent generations. We insist that the Czech Republic become a fully-fledged member of the EU and not a second-tier country. Europe represents for us not only economic and employment opportunities but above all a culture with deeply rooted norms of civilisation.
3. Renewal of a political elite in a democracy can occur only if new people are continually involved and there are competing ideas and visions. We want to renew trust in politics, which means serving citizens, not ensuring the existence of politicians. Therefore we must open the path to politics to young people who will imbue it with new, firmer values, a long-term vision, substance and above all honesty and courage.
4. Strengthening the role and importance of all parts of civil society and creating a favourable climate for their development. We believe that more and more citizens must participate in decision-making about public affairs that concern them. The unfinished transformation and growing economic pressure on every family further strengthened the atomisation of society begun by communism. We are convinced that despite its importance, money cannot be the only link between people. Facing corruption and formation of

clans and on the other hand cultivating relationships in the family and between generations - these are tasks that stand before every proud and honest citizen of this state. Municipalities and regions carry the same weight and importance in the life of the country as macro-level central politics.

5. Limit the influence of the state to the benefit of citizens and businesses that create values. Reform of public administration and institutions must be fundamental and must primarily take into consideration ways of serving citizens. Government authorities must treat citizens as their clients and treat business people as creators of values and new jobs. Citizens must strictly monitor public funds, with particular attention to the effective and economic nature of their use. We want a small, well-functioning state.

6. Strengthening elements of direct democracy. Democracy improves through greater citizen participation in decision-making on issues that concern their lives. This means participation of citizens on a local level - the level of towns and cities - and not only in relation to the state but within civil society itself. All of this requires a maximum level of openness and a high level of transparency in the state administration as well as ensuring the right to information and plurality in the media. Therefore we assert:

- a. Direct election of the president of the republic and strengthening of his authority
- b. Direct election of mayors (lord mayors) of cities and towns and of directors of regions .

7. We refuse right-left ideological views of the world. We assert professional resolution of issues - that is, those that are best for the majority of citizens in the given instance and given conditions. One of the reasons that THE PATH OF CHANGE formed was to assert placement of politically independent professionals and recognised experts into government positions.

THE PATH OF CHANGE'S 10 PROGRAMMATIC GOALS AND 100 THESIS

1. We uphold enduring values - for a strong society with ethics based on responsibility.
2. We will raise the quality of education and deepen general knowledge - for the generation of the new century.
3. We will strengthen justice and respect for the law - for a safe, calm life for our citizenry.
4. We will strengthen the fight against corruption - for a lawful state with honest and equal opportunities.
5. We will ensure social and health security for citizens - for a quality, healthy life.
6. We will enable honest business practices and we will assert economic stability - for a competitive position in the globalised world.
7. We will assert a healthy, pleasant environment - to preserve ecological balance and sustainable life.
8. We will break down bureaucracy - for a lean, strong, decentralised and functioning state administration.
9. We will ensure opportunities and good prospects - for a successful future and the self- confidence of every generation.
10. We will complete European unity - for the lives and security of all of the people of this country.

I. We Uphold Enduring Values - For a Strong Society Based on Ethics and Responsibility

We are convinced that the future of our country is unimaginable without the co-existence of people based on respect for common ethical and spiritual values. Strong societies have firm moral foundations, which relate directly not only to quality of life but also to a healthy economy. It is the responsibility of politicians to create a favourable climate of trust in the healthy, just operation of society and state. Self-confidence, diligence, responsibility and honesty are principles that along with civility, solidarity and civic advocacy must create the overall picture of our country. The progress that the market has made in the short period of democracy must be objectively recognised. At the same time we are aware of the limits that the market economy has as a tool for redistributing wealth. At present we must concern ourselves with the task of strengthening direct democracy and enabling various ways for citizens to participate in public affairs. Simply put, the new significance of solidarity and emerging citizenship must be acknowledged as an important framework for the free market and democracy.

a. THE PATH OF CHANGE asserts middle-road politics without ideological labels. THE PATH OF CHANGE's politics is not right wing, but it looks and moves forward. We want to be the guide for all of the changes that this country will undergo through the broadest societal consensus.

b. We emphasise qualitative and universal development of the human personality and we consider a unilateral consumer lifestyle as an expression of inner emptiness.

c. The fundamental standard of our approach is sincerity, substance and an effort to listen to others. Several principles relating to public life and our work apply in general. They may be characterised by these terms: selflessness, integrity, objectivity, responsibility, openness and honesty.

d. We follow an Ethical Code that applies to members of the party, candidates and elected officials and sympathisers.

e. We accept shared responsibility for global problems and development in the world.

f. We will secure effective mechanisms against nationalism in all its possible forms and variations.

g. We support non-profit, non-governmental organisations that contribute to the creation of an open, tolerant and solidary civil society, which is the precondition for a functioning and prospering democracy.

h. We will push for the government of the Czech Republic to help create, accept and bring to life standards that correspond to standards in civilised countries through principled positions.

i. We will strive to create a well-functioning information society across the entire CR.

j. We will include several fundamental tasks in our political program:

- i. Finish creating conditions for renewal and strengthening of civil society.
- ii. Broader, deeper application of freedom and equality, primarily between women and men, the rich and the poor, and people of various ethnic backgrounds.

iii. Good will and openness towards all initiatives led by honest, entrepreneurial individuals.

iv. Equal opportunities in society for all, an emphasis on knowledge, informedness, capabilities and productivity.

II. We Will Improve Education and Deepen General Knowledge - For the Generation of a New Century

In order to provide everyone with as many educational opportunities as possible, the functionality of our educational system must be renewed and upbringing and education must be emphasised as the most important elements in the personal development of each person. We want people to feel free, to think responsibly about important issues and to help assert the principles of humanity on the basis of their general education. We see the foundation in quality primary and secondary school systems and in broad accessibility to university education through modern information technologies. We are convinced that a highly motivated and independent teacher is the most important initiator of these needed changes. For this reason, we want to increase the prestige of educational workers with an emphasis on their material and above all societal acknowledgement. We plan to assert issuance of an independent salary schedule solely for educational workers.

PRIMARY EDUCATION

a. We view primary schools not only as places to educate children, but also as centres for development of regional cultural and community life.

i. In regard to population development trends, we prefer independent innovation in schools directed towards the broad use of extracurricular activities over insensitive centralised interventions.

ii. Primary school education must reinforce the importance of natural history and civic activities and knowledge. This is a prerequisite for the young generation's self-confidence at the time of the CR's accession to the European Union.

b. We will strive for integration of physically and socially handicapped children as well as provision of individual instruction for exceptionally talented children. Of course we will pay attention to the education of all children regardless of their origin or nationality.

c. We view basic artistic education and all activities in aesthetic instruction and sports as natural parts of the cultural standard of the country as well as preventive measures against various anti-social influences.

SECONDARY EDUCATION

d. Secondary education must above all ensure young people's sense of direction in the world and decision-making abilities and last but not least, lay the groundwork for independent work with new technologies.

i. Co-operation with representatives of employers in the creation of professional instructional programs is an important element in students' future efforts on the labour market.

ii. Our goal is a multi-functional school offering a diverse and interconnected curriculum that enables as many students as possible to obtain the necessary qualifications.

iii. We plan to assert all methods in the structure and content of secondary school education that will lead to greater permeability of schools.

e. In relation to the CR's accession to the EU we support multi-cultural education alongside expansion of foreign language instruction.

f. Secondary school education must eliminate pointless memorisation of facts and embrace modern pedagogical methods that correspond to the needs of the 21st century and the capabilities of the new generation.

UNIVERSITY EDUCATION

g. We perceive universities as specialised preparation for future professional life. University education must undergo fundamental ideological and economic reform. We consider the current trend whereby university education stands in for low quality primary and secondary education as uneconomical and incorrect.

h. We support expansion of correspondence university courses and study programs for the employed, primarily in conjunction with use of modern information technologies such as the Internet. We want to resolve the imbalance between applicants and universities' capacities through the creation of "open universities" for all interested parties.

i. University education must be open to everyone. We will strive to allow those who are not accepted at university to pay tuition in order to give them the opportunity to obtain an university education.

SCIENCE AND RESEARCH

j. Our goal is significant support of programs in which the CR is capable of keeping pace on a global level. Therefore:

i. We will ensure a comprehensive grant system and we will focus on those programs and working groups which produce results that can compete on a global level.

ii. Through tax incentives we will motivate firms and primarily foreign investors to direct their resources to applied research.

iii. We will make the profession of scientific research more economically attractive. We will support development of science and research at universities and at the same time we will create a program to gain capable researchers from economically weaker countries.

III. We Will Strengthen Justice and Respect for the Law - For a Secure and Calm Life for Our Citizens

The gradual rise in crime rates is not an unalterable natural law. The state, municipalities and above all citizens themselves must take on the fight against all forms of crime and illegal acts as their personal concern. The benevolent penal-legal system does not evoke the appropriate respect and trust, and wholly inadequate and thus ineffective sanctions and lack of thorough co-operation between state entities enables criminals to undertake illegal activity. We will persistently pursue all crime: from professional murder, blackmail, drug distribution all the way to the sale of alcohol and tobacco products to minors. We will focus our attention on stricter recourse against juvenile repeat offenders as well. We will put aside disinterest, ignorance and tolerance of even seemingly insignificant delinquents. We will not allow the state to capitulate to crime. For when the state shows weakness, it is primarily the weak who suffer. Our goal is quality protection of the lives and property of our citizens, respect and trust in the law, strengthening of the sense of

safety and an effective fight against all forms of crime.

a. We will establish a Supreme Administrative Court as part of the functioning administrative judicial branch. In general, administrative law is the law stipulating the administration of the government agenda. It governs the functioning of the central government, local administration and public bodies, and the way in which these bodies execute statutory or other public authority or duties.

b. We will improve conditions for judges' work. We will increase the number of court employees and improve the courts' technical equipment while monitoring the quality and speed of judges' work and we will create a mechanism to best motivate judges performing good work.

c. We will create effective preventive measures against crimes committed by foreigners in our country by tightening immigration policy and asserting visa requirements for countries whose citizens are among the most frequent offenders of serious crimes.

d. We plan to ensure the security of the state by establishing a professional army and improving the working conditions of security units.

e. In co-operation with international security units we will focus on thorough prevention, exposure and fighting against all forms of organised crime.

f. We will create a preventive program to lower crime rates, particularly in relation to drug problems among youth.

g. We will reassess the terms of imprisonment for specific serious criminal acts and we will assert use of alternative punishment.

h. We will ensure rapid legal proceedings. The period between the crime and the court's verdict must be shortened to a minimum. We will support the newly established institute of private executors.

i. We will create conditions for unbiased evaluation of all involved parties in criminal proceedings. We will change the manner of assessing the amount of injured parties' claim to damages.

j. We will create a quality legal framework through recodification of fundamental legal standards.

IV. We Will Strengthen the Fight against Corruption - For a Lawful State of Honest Citizens and Equal Opportunities

Moral and legal integrity is one of the many paths that we must embark upon. When the state quells corruption and crime, it serves as a means to a more general goal: to a more effective, more transparent and better operating state administration. The need to face white collar corruption and crime must emerge in the Czech Republic, for harsh confrontation with these practices is a requirement for economic development and social stability (the CR is in 47th place on the ladder measuring extent of corruption according to the Transparency International 2001 report). The sad truth is that corruption and crime are on the rise and that the CR is not in a situation to preach morality to anyone. The content of our concept is true legal reform and restructuring of institutions in conjunction

with targeted awareness-raising programs. Our economy must be thoroughly liberalised while the activity of the state administration must be carefully monitored, particularly in awarding of state tenders. We need a concept of integrity:

- a. So that we can determine priorities among the reforms necessary for a transparent and responsibly operating state administration.
- b. For monitoring of public administration's activities. We will strengthen the investigative and enforcement capacity for corruption cases. The public will gain better access to information necessary for effective monitoring.
- c. For introduction of standards to regulate the behaviour of state employees in cases of conflict of interest and establishment of efficient measures to prevent illegal accumulation of wealth including heavy fines for those who abuse their public positions to support their private interests.
- d. For measures against bribery in all financial or business transactions.
- e. For co-operation of all units in the judicial field, financial institutions and the police system. This will enable us to react quickly and effectively to international criminal investigations.
- f. In order to strengthen tax collection.
- g. For development of a European codex for criminal cases. This standard would include turning over of delinquents and court persecution of individuals accused of these acts.
- h. For establishment of priorities in political life and public administration. We see these priorities in the following points:
 - i. Introduction of all mechanisms that support responsibility and transparency in all decision-making in state bodies.
 - ii. A creative partnership between public administration and civic associations.
 - iii. Reform of state administration and of the procedure against conflict of interest of state employees.
 - iv. Administrative law as a regular part of all legal systems.
 - v. Creation of mechanisms that offer state employees means of notification for cases of corruption.
 - vi. Judicial independence and ensuring that court proceedings work against corruption effectively as a scare tactic.
 - vii. An open, competitive and transparent system of awarding public tenders.
 - viii. Alert media, which can freely perform their role as the public watchdog and raise the public's awareness of its rights and duties at the same time.
- i. For establishment of strong, independent anti-corruption bodies and co-operation with units from other countries in the fight against international crime, mafia and corruption.
- j. So that the Penal Code is able to secure monitoring, seizure, freezing and confiscation of illegal income from corruption and crime.

v. We Will Ensure the Social and Health Security of Our Citizens - For a Quality and Healthy Life

Our goal is improvement in the health care standard and growth in the length and quality of our citizens' lives. For this we need a liberal state that is capable of positively motivating citizens while using effective mechanisms to prevent abuse of social generosity. We assert limiting state power by preventing abuse of this power. The value of money must be made as stable as possible. In this way, we will establish reliable security for old age and crisis situations. We will stand against such redistribution policy that benefits all imaginable interests. On the contrary, we will assert a policy that will secure resources for provision of targeted and permanent help where it is needed. We will create conditions and space for human solidarity: in private. We will thus refute the incorrect conviction that the state should secure assistance and compassion for our loved ones.

- a. We will set up the health care system so that it supports each individual's personal responsibility for his own health while also securing basic security to all citizens.
- b. Our goal is one common location for collection of health and social insurance and income taxes. This will raise the efficiency of collection and also decrease bureaucracy.
- c. We will set up incentives for health care workers with the aim of securing quality working conditions for them. We anticipate that this will result in a kind, humane, highly professional health care system.
- d. We will combine health and sickness allowance insurance with the aim of decreasing unsustainably long periods of sickness from the current average of 28 days to the period typical in EU countries (8 days). We will motivate doctors and citizens in order to limit parasitism on the sickness allowance system.
- e. We will focus on building high quality, efficient mechanisms to monitor finances in health insurance companies and state health care facilities with the aim of lowering financial seepage and corruption (through boards of directors and supervisory boards).
- f. We want to lower overall unemployment through state support of infrastructure in regions with high unemployment rates, support of private investment in these areas and requalification programs. We see a significant opportunity in investments into environmental protection and revitalisation, where we envision job opportunities for many people.
- g. We will support families with small children through increased tax relief. We will increase maternity leave allowances and we will enable mothers on maternity leave to earn more money than they can today. We will secure advantageous, state-guaranteed loans for these families.
- h. We will link sickness allowance insurance to health insurance in relation to pension supplementary insurance so that the saved sums are later transferred to individual pension supplementary insurance. Through this mechanism, we will create incentives for citizens to care for their health and so that abuse of the sickness allowance system does not pay off.
- i. We will intensify incentives for citizens to retire later of their own accord - their pensions will increase according to the number of extra years worked. As in other Eur-

open nations, the pension system is a time bomb.

The current difference between expenditures to the system and income equals 1 % of GDP and will exceed 3% before 2020. All the same some parameters of the system may be changed immediately:

- i. Increase pension allowances in accordance with the evolution of prices, not wages.
- ii. Decrease the incentive for early retirement.
- iii. Continue to raise the retirement age.
- iv. Extend the minimum period of contribution to the system, which secures that full pension allowances are paid out.
- v. In the mid-term, the system of periodic financing of pensions should be reformed to favour fund financing. People should have a pension account at their disposal into which they would deposit their savings. State assistance should again be focused on the poorest individuals.
- j. We will increase tax advantages for individual pension supplementary insurance. We will provide greater incentives for employers to pay their employees' pension supplementary insurance. We will financially motivate families to care for their infirm relations (greater tax relief, higher payments for care).

vi. We Will Enable Honest Business Practices and We Will Assert Economic Stability - For a Competitive Edge in a Globalised World

Employed persons in the Czech Republic deduct an average of 47.5% from their gross income in taxes. In OECD countries (the club of most developed countries of the world) the equivalent tax is approximately half of this amount. Czech citizens pay disproportionately high taxes and even this is not enough. The state spends more money than it should, accumulates public budget deficits and issues promissory notes to cover them. These securities, however, must be paid back someday. The state's current policy is a policy of lowering the standard of living of future generations and the Czech Republic is consistently criticised for this approach by all foreign observers, including the European Union. The goal of THE PATH OF CHANGE is to not financially burden future generations while also lowering taxes. Individuals who have the necessary entrepreneurial capabilities and a sense of justice and solidarity create economic growth, which the CR urgently needs. These individual capabilities hinge on the culture of our common life, diligence and an atmosphere of trust in society as well as on a legal system that asserts and protects the business environment and structures marked by high productivity and competitiveness. This includes sharing a business and trade ethic which signifies that the principles of fair play can be followed even in business. In this sense, we consider the quality of education and upbringing to be a key factor that forms the basis of entrepreneurial capabilities. For this reason, we want hastened economic growth accompanied by growth in the standard of living of all citizens of the Czech Republic, with consideration given to environmental conservation.

- a. We support investment primarily into companies with new technologies, into infrastructure and services. We will focus important investments first and foremost into regions with high unemployment rates and into programs reflecting environmental quality.
- b. We will gain new employment opportunities primarily if we eliminate monopolies. By

removing the postal, telecommunication and energy monopolies, we want to establish conditions for a more diverse assortment and more advantageous supplying for businesses and households. The privatisation of companies and firms with state assets must be completed, the role of effective service provision must be transferred to private businesses and they must be involved in financing and operation of the entire infrastructure on a massive scale.

c. Lower taxes, a minimum of exceptions, and a transparent tax system with clear rules for all: this is the content of our tax concept, which we will present for a vote in these elections in the Czech Parliament. The successes of other countries that set out on this path long ago confirm the accuracy of our tax policy. We will implement fundamental tax reform, the goal of which will be significant decreases in companies' and individuals' direct taxes through a transfer to indirect taxes, i.e., consumer goods taxes.

i. In the area of indirect taxes, we support the environmental tax (fine) for consumption of ecologically wasteful products and use of non-renewable resources. We also support introduction of a health tax on consumption of products that damage health (cigarettes, alcohol). The yield from these taxes will be used for environmental protection and development of preventive health programs.

ii. We want to lower taxes for legal entities in all tax categories, with a base tax level of 10% instead of the current 15% and a maximum level of 20% instead of the current 32%. Six out of ten of our companies are artisan and medium-sized firms in personal ownership. We will lower taxes for companies (firms) on business activity in the same manner, to a maximum rate of 20% instead of the current 31%, for performance must pay off.

iii. In the same way, taxation of companies' revenues must be organised such that investment once again flows intensively into the Czech Republic and so that firms reinvest their profits here. For this reason, we will lower the important income tax on legal entities for foreign investors to 0% to 10% for retained profit (depending on support for introducing new technologies) and to 5% for dividends.

d. In order to address the apparent lack of domestic capital for financing economic growth and the persistently weak emphasis on increasing savings volumes, we want to markedly lower taxes from capital gains to 5% (bank interest, promissory note interest, dividends from certificates of deposit). At the same time we will focus our attention on property taxes, where repeat taxation on already taxed income occurs. We will strive to abolish the inheritance tax and to simplify the donation tax, which we consider as unnecessary burdens in the period of economic transformation.

e. Our anticipated full-fledged accession to the EU in 2004 requires prior implementation of relevant tax legislation, regulations and institutions in a trustworthy and efficient manner. This means that a number of EU regulations must become effective prior to this date. Harmonisation primarily affects indirect taxes (value added taxes and consumer goods taxes), which require a number of changes. The most important of these are:

- i. Narrowing the list of goods and services with lowered value added tax rates,
- ii. Lowering the threshold for mandatory VAT registration,
- iii. Raising consumer goods tax rates for cigarettes and carbon hydrogen fuels and lubricants to the minimum level set in the EU,
- iv. Abolishing duty free shops on highway border crossings. Duty free shops in airports will be useable only for trips outside of the EU.

f. Therefore we will also reform VAT - we will establish a group with zero VAT duties (health care, education, ecology, housing construction). As part of the new tax system,

which should see the light of day within three years, we plan to replace gradual lowering of direct taxes and social deductions with an equivalent raising of value added tax rates from the current 5% to 16%, whereby the current VAT maximum of 22% would gradually move towards 16%, which would later become the singular limit.

g. It is necessary to prevent the state from spending beyond its means, whereby it accumulates public budget debts to the detriment of future generations' quality of life.

i. Within the public finance system, we will stop direct or hidden subsidies to companies with records of long-standing inefficiency.

ii. We will transfer a greater proportion of authority and responsibility from the central government to regional self-government (UTTUs).

iii. We will eliminate discrimination of small and medium-sized companies in access to credit.

iv. We will strive for better tax collection, primarily from large companies and corporations.

h. We will assert micro- and small-business support programs - we will introduce simplified taxation for small businesses.

i. Small business owners will not have to carry out complicated accounting, but only accounting of income, taxed at a nominal rate of 5%.

ii. We will push through a measure whereby micro- and small-business owners will not be taxed on mortgages with which they invest into expansion and improvement of their firms. We will push through direct and immediate deductions on all firm-directed investments, including investments into firms' real estate assets.

iii. We will simplify bureaucracy that complicates micro-, small- and mid-sized business. We will assert the establishment of self-governing chambers of small business owners, which will gradually take over the tasks of state small business authorities. We will simplify the Trades Licensing Act and make business opportunities accessible to more citizens.

i. We perceive development and support of services, including state support of tourism promotion, as an important element of economic policy. We will develop and implement an agro-tourism support program for the Czech Republic. It is apparent that our rural areas and unique landscape are becoming steadily more important.

j. State expenditures supporting construction continue to rise but the anticipated results have not manifested themselves. Current programs are directed primarily towards higher-income individuals. Thus we want to liberalise rent prices as soon as possible so as to increase incentives to modernise the current housing stock. Funds obtained from higher rent will be used to compensate rent for families with lower incomes.

VII. We Will Assert a Healthy and Pleasant Environment - To Preserve Ecological Balance and Sustainable Life

The current state of the environment is unfortunately such that we can no longer speak of its preservation but in many cases, only of its improvement. Environmental issues are increasingly becoming the centre of attention for we perceive nature as part of a great order, of which humans are one part. Our goal is sustainable development of a society that is, despite technological progress, capable of behaving in an environmentally sensitive manner while also ensuring people a quality environment. Our goal is to elect societal,

economic and other processes that will be as conservative and tolerant to the environment as possible from their very introduction. It is indisputable that environmental protection is becoming our primary societal task, which cannot be managed without state participation based on good will and understanding. Thus the state must set the framework in which basic environmental protection goals are defined. Clean air, clean water, unspoiled nature, preserved landscape, transportation routes with minimum noise, ecological waste disposal and others - these are tasks for all of society.

a. Long-term sustainable development, which means fulfilling the ideals of humanism and respect for the environment, is a pillar of our program. Sustainable development means a functioning economy that fulfils the requirements and needs of current generations without negatively influencing in any way future generations' chances to satisfy their own needs. Therefore we need to renew the balance between the individual's freedom and his responsibility towards the rest of humanity and nature. In consideration of the future and the lives of our children, we must accept responsibility primarily for the state of the earth that we will leave them. For these reasons:

- i. We will make conditions for export of natural resources stricter so that the CR is not plundered to the detriment of future generations.
- ii. We will create a nation-wide environmental education program.
- iii. We will strengthen the influence of civic initiatives in independent monitoring of the state of the environment.

b. One goal of a sustainable development strategy is to remove chemicals from the environment. That means:

- i. Complete liquidation of former environmental dumpsites and clean heavily contaminated land and water.
- ii. Improve the recording and monitoring system for chemicals that are in use in the CR.
- iii. Lower production and distribution of chemicals into the environment.
- iv. Limit and gradually cease production of materials that are toxic, persistent and which settle in living organisms (DDT) and damage the Earth's ozone layer.

c. In addition to being our home, the Czech landscape is an agricultural landscape. Alongside its productive use, agriculture has land-preservation, hydrological, aesthetic and recreational uses. For this reason, we will financially support particularly those farmers who ensure sustained care of the landscape and who practice ecological agriculture. However we will use all of our strength to prevent overproduction of non-ecological foods whose production damages the environment.

d. Tourism may contribute to such regional development that preserves the character and function of the local landscape and is of a sustainable nature. Thus we support development of agro-tourism, bicycle tourism, hiking tourism and spa tourism.

e. According to the type and extent of environmental damage, we distinguish our environmental policy into the following categories:

- i. Voluntary environmental protection. The gentlest form of environmental protection policy consists of calls and appeals to people's reason or sense of good.
- ii. Technical-planned environmental protection. Technical environmental protection removes that which develops through the natural operation of society, i.e. particularly cleaning wastewater and burning rubbish. Planned environmental protection focuses on preventing environmental damage (e.g., as part of land use and transportation planning).

iii. Police-legislative environmental protection. In order to maintain the quality of the environment (maximum emission levels), standards on maximum emission levels for individual producers and consumers must be established. Behaviour that damages the environment is directly prohibited while desirable behaviour is induced by regulations (e.g., monitoring exhaust fume levels) and bans (limited highway speeds).

iv. Market-economic environmental protection. Even the environmental field must rest on healthy economic foundations. Market-economic environmental protection is based on this premise. Tax instruments, voluntary obligations and certificates (emission certificates) gain significance in environmental policy.

f. Voluntary environmental protection activities (participation in environmental audits) must be appropriately remunerated. Responsibility for environmental protection must be much more intensively transferred to individuals, architects, engineering firms, business people, artisans and even individual households. For this reason, we will present for approval an environmental code that aims to make environmental law more transparent and consequently, easier to implement.

g. The core of our policy is protection of the natural foundations of life. We need to disengage economic growth from resource use. We must assert greater production of ecological products while using lower amounts of energy.

h. We will offer means and economic tools (pricing, tax policy, subsidies, etc.) to lower our economy's demands on energy, particularly until energy prices are liberalised.

i. We will reward and support use of renewable energy sources. Alongside efficient energy use, development of renewable sources is one way of fulfilling the Kyoto agreements on global reduction of fossil fuel consumption and consequent reduction of carbon dioxide production.

j. Our task is reduced waste production in conjunction with growth in economic production. Emphasis must be placed on better usage of waste material through recycling and burning.

VIII. We Will Break Down Bureaucracy - For a Lean, Strong, Decentralised and Functioning State

The task of state officials is to administer public affairs. However, as soon as bureaucracy is established, it begins to take on a life of its own and consider the public as its enemy. When referring to "public service", it is important to bear in mind that elected public representatives as well as appointed officials have similar responsibilities. However, it is easy for politicians to object that they should not have to carry responsibility in the same sense as state officials, be it only for the reason of having to repeatedly struggle for their mandate in elections, which requires greater direct responsibility towards the public. Transparency is thus as important for elected public representatives as it is for appointed state officials. Thus in a world where the rate of change is increasingly gaining momentum small and flexible entities find it easier to adapt and innovate. Small entities - whose members are more familiar with the local situation and have immediate access to it, and feel personal responsibility - can find better solutions for they have greater imagination and creativity than large, bureaucratic organisations. This holds true both in economy and politics, both on the national level and in the European context. Relevant studies show that SMEs are as much as twenty times more creative than large enterprises. Bureaucratic

centralism has outlived itself and the future belongs to decentralised solutions. Therefore we want to delegate more powers and responsibility to entities at lower levels. Hierarchical structures are undoubtedly limiting. We believe in deregulation and breaking down bureaucracy, in specific individual responsibility, competition and regionalisation. We believe in people, not bureaucratic institutions.

a. We are convinced that people will be better off with less state influence on citizens' decision-making. We want the state to stint itself in favour of its citizens and enterprises. Each region must take responsibility for creating its area.

b. We require greater transparency in major government aims and also in short- and long-term decisions in the areas of expenditures and tax policy. This strict transparency should lead the government to place greater emphasis on the long-term effects of its decisions, which should thus lead to a more balanced fiscal policy. Within the policy of the CR, we are also prepared to accept fiscal responsibility measures that aim to achieve five goals:

- i. Increase the transparency of political aims and their economic and financial impacts.
- ii. Watch annual budgets, also from a long-term perspective.
- iii. Disclose the overall impact of the annual budget prior to making detailed allocations.
- iv. Demand independent evaluation of fiscal policy.
- v. Secure parliamentary and public monitoring of all economic and financial information.

c. The only way to reduce the state deficit and increase private investment and innovation is to dramatically reduce the proportion of public expenditures. Our aim is to achieve a share of 35% of GDP by 2010.

d. The system of employees in the government sector must be systematically reduced. We will create the necessary will to relieve citizens of taxes and deductions only if we reduce government expenditures.

e. Distribution of tax income between the state, the regions and municipalities has to be embedded in the financial constitution and financial settlement among regions. To this end, we have to devise a clear distinguishing system that for example allocates indirect taxes to the state and direct taxes to the regions, as well as a model by which the regions can impose their own rates of income tax for individuals and legal entities to a maximum level of 10%.

f. Financial reform must make the connection between expenditures and taxes more understandable to citizens. Individual efforts to save and an economic policy which will bring new tax resources into the country, care for them and levy on them, must pay off for the regions.

g. Deregulation, privatisation and modernisation of the state administration will free up space for individual initiative. For this reason, we want to privatise Czech Airlines, the Czech Postal Service, Czech Railways and Air Control Center.

h. We want to invest in construction of roads, waterways and railways in the best manner and with the best co-ordination.

- i. By 2010, we would like to transform all rail connections between major Czech

cities into high-speed routes.

ii. We must create optimal interconnections between individual transportation carriers - railways, roads and airports.

iii. We will use the opportunities presented by technical progress to make our transportation system safer, more environmentally sensitive and more efficient.

iv. Modern information, communication and management (telematic) systems can improve the overload on transportation routes, optimise transport processes and contribute to decreasing the number of accidents.

i. A state that serves the citizen cannot exist without a well-functioning public administration. For this reason a professional bureaucracy remains irreplaceable for fulfilment of top-level tasks. We want to take measures to create a public administration that is generally more productive, flexible and efficient.

j. We want to retain the option of making exceptions to overly strict legal regulations in justified cases.

IX. We Will Secure Opportunities and Good Prospects - For a Successful Future and Self-confidence of Every Generation

The politics of THE PATH OF CHANGE must not remain mere words. Thus we consider it vitally important to adopt social measures that support and strengthen the family. A family based on stable co-habitation of a man and a woman is the climax of human relations, solidarity and love. The basic principles of social policies, and particularly employment policy, need to be applied in new forms, primarily to the family. If we want to secure the highest employment rate possible, we will need new companies that will create new labour markets. People must be given the opportunity to implement their life plans, even in independent income-earning activity. In human life, work means more than a chance to earn income - work brings a feeling of personal achievement and continually new social contacts and it adds meaning and perspective. Therefore we must define anew even the social sphere: social is that which creates job opportunities.

a. In a liberal market democracy, not only the state but also parties of collective bargaining assume responsibility for unemployment. An employment-oriented policy of tariffs is a precondition for more jobs.

b. Our working life is becoming more diverse and differentiated. A traditional full-time job has not been the only standard for some time. Many people seek part-time work. Job opportunities must be accessible to everyone, also through creation of community service employment - for the less qualified and for people in crisis threatened by long-term unemployment.

c. Services are a key factor for higher employment. We have a significant shortfall in the areas of household services, commerce, catering, tourism and health care. Yet the opportunities are almost unlimited. We could create up to half a million jobs with an optimal density of services.

d. Public service facilities have to lead the offensive in services with longer opening hours, better availability, shorter response times and other customer-oriented properties.

- e. We support independent income-earning activities focused on development of crafts.
- f. It would be appropriate to eliminate income tax for newly established firms and business owners so that they may create their own capital and reserves as quickly as possible. For small businesses, contractual employment must be introduced and protection against notice must be relaxed so as personnel needs can be adapted to the economic situations of newly established companies, thus securing their survival.
- g. We must attract more people and firms to the founding capital market in the years to come. It is necessary to make it easier for new companies to enter the stock exchange and to accept equity capital. We want to remove many bureaucratic barriers and thus accelerate planning and decision-making processes.
- h. There should be a standard study program on company establishment offered at universities.
- i. We will found information and broker stock exchanges so that companies seeking funds are able to quickly establish contacts with prospective investors. We want to create an innovative environment stimulating enterprise which has quality ideas, diligence, courage and hope.
- j. For many mid-sized companies the introduction of our concept of economic-political reform, mainly comprehensive tax reform, will become a matter of life and death. Moreover, we will relieve small enterprise of senseless expenditures of time and effort by eliminating excessive bureaucratic burdens. Therefore as a first step we will support increases to employees' wages and contributions to savings that will be used for company creation of capital.

x. We Will Complete European Unity - For the Lives and Security of All of the People of this Country

We live in a time of tremendous changes. Economic, technical, cultural, ecological and political changes are occurring at such a rapid pace that it is very difficult to predict the type of world in which we will live in 10 or 20 years. Thus we must grasp the rudder that will direct our boat into the future. The Czech Republic must take steps so that it is successful in the upcoming millennium. Globalisation of the economy has decreased nations' ability to take responsibility for the welfare of their citizens. More and more decisions are made on an international level. If we want to keep pace with Europe, we must participate in this decision-making process and become a member of the EU. Concrete benefits will become apparent in security policy as well. The accession of Central and Eastern European states to the EU also signals an adequate response to new security risks in regard to membership in NATO. If the assumption that globalisation along with knowledge and technologies will play a decisive role in the development of the Czech Republic and Europe in the third millennium is correct, then those societies and individuals who best prepare for these elements will be successful.

EUROPEAN INFORMATION AND COMMUNICATION SOCIETY

- a. We will be able to once again successfully defend and expand a top position in international competition only if our goods and services are top-level products. Thus one of our priorities is support of key technologies: information and communication technology,

environmental and transportation technology, Nan technology and new materials.

b. Formation of an information society is currently a priority task not only for the Czech Republic but also for the entire developed world. We support thorough implementation of the eEurope+ plan and to that end, plan to strive to fulfil the following principles and goals:

i. Citizens, businesses and state administration bodies need to gain easy access to modern telecommunication networks and services accessible through these networks.

ii. Researchers and students must be given the opportunity to connect to high-speed data networks so that new opportunities for instruction and research open up for them.

a. We realise that one of the most important tasks of the private sector and state administration in upcoming years will be developing users' trust in electronic commerce.

b. We vigorously support the project to connect all Czech schools to the Internet.

c. Alongside general support of use of the Internet in the school system and in science, we will strive to increase the number of experts in information and communication technologies and electronic commerce in the Czech Republic.

RESPONSIBILITY FOR EUROPE

c. We have a vision for a successful future for Europe: a continent that is competitive in trade and industry, capable of action in issues of common security and defence, and flexible in its institutions. We are aware that European integration will not proceed by itself. People must be convinced that European unity will bring them benefits. For this reason we support accession of the Czech Republic to the European Union without a referendum to prevent one generation from deciding on the future of the Czech Republic to the detriment of all subsequent generations.

d. The end of the Cold War did not bring definitive peace, not even in Europe. On the contrary, we live in a world where numerous new, different and unknown dangers have emerged, such as the invisible threat of international terrorism. Organised crime, drugs and other criminality are crossing European borders to a greater and greater extent. Various environmental crises, migration of inhabitants and other features require joint action in Europe. Therefore there is no qualitative, realistic alternative to European integration.

e. We must develop our agricultural policy such that our farmers and rural inhabitants have prospects that are feasible in the long-term. This can be implemented only with a sense of cohesion and more national and particularly regional responsibility.

SECURITY IN EUROPE

f. Strengthening the foreign policy capabilities of the European Union is of crucial importance. We, the Europeans, still live in borrowed security to a large extent. The recent events in the former Yugoslavia were painful evidence of this fact.

g. THE PATH OF CHANGE is a party of European unity and solidarity. It is in the time of critical changes that reliable partnerships have invaluable significance. Above all, the United States is such a partner for us. We cannot forget what the USA did for world peace and freedom in Europe in the past fifty years.

h. Europeans and Americans constitute a single cultural community and can rely on

each other in good or bad times. Nothing can underline this fact more powerfully than the successful history of NATO. NATO guarantees our security and must remain the anchor of stability even in our altered environment.

i. The state's defence policy and military strategy have to be "living" documents flexibly responding to future development in the area of state security as well as armed forces. The defence policy and military strategy of the state will be amended, and thus updated, every second year by law. The documents will also identify needs of the state in the context of current political needs.

j. These documents show how to erect the basic state security pillar in all of its areas. This includes not only the area of internal armed forces, but also the state's capabilities in foreign affairs and diplomacy, industry, finance, agriculture, transportation, etc. The fundamentals of these documents will be the following:

i. The Czech Republic must aspire to a more prestigious position in Central Europe than it has had to date, drawing on its tradition in the military, capabilities of its armament industry, as well as its international status.

ii. Military service is a service for the state - the state has to consider the army a national treasure and care for it properly.

iii. We must create conditions so that the army has quality training along with modern equipment.

iv. Our aim is to build up a fully professional army. The process has to be accompanied by a deep analysis of all aspects related to building up professional armed forces. We deem it feasible to build up a professional army in 8 - 10 years, i.e. by 2010. We will take the first step in this election period by shortening the term of national service to 9 months and in the following election period to 6 months.
